



LONDON BOROUGH OF HARINGEY

Audit Committee – November 2024

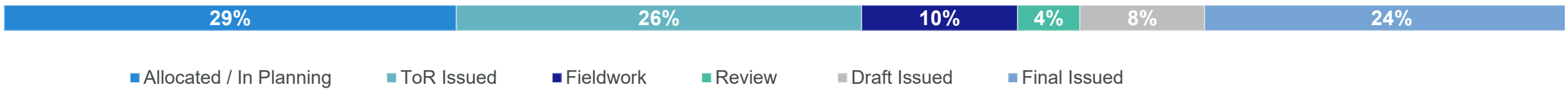
Forvis Mazars Internal Audit Progress Report

Date Prepared: November 2024

Strictly private and confidential

1. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2024/25 Internal Audit Plan.



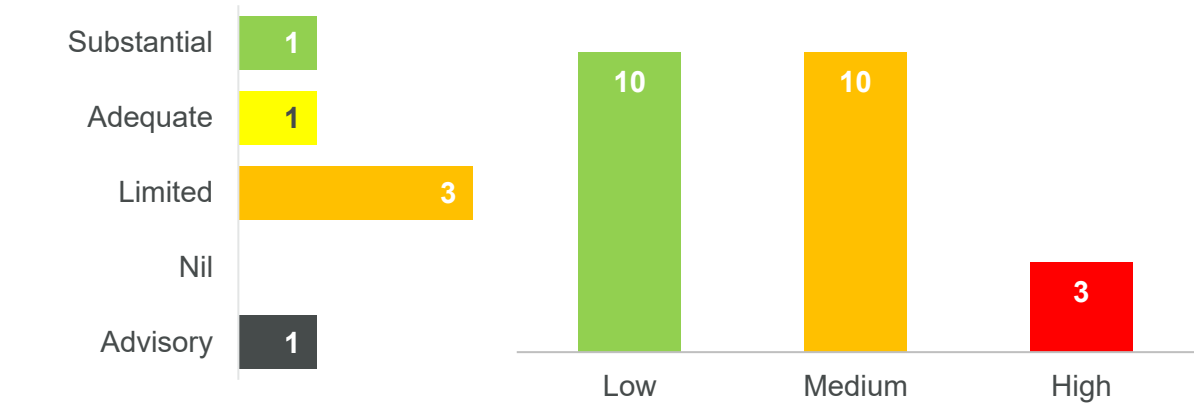
Audit Committee decision needed

- Note the progress being reported and consider final reports included separately in the paper pack.

RAG status of delivery of plan to timetable

On Track

Assurance opinions in reporting period Audit recommendations in reporting period



Key updates

Progress in respect of the 2024/25 Plan is in line with the expectations at this stage of the year.

The responses to the draft report for **Finance Assessment of Clients, Scheme of Delegation** and **Leisure Services Insourcing** are overdue.

We continue to meet with the Head of Internal Audit and Deputy Head of Internal Audit regularly, with the last meeting held on 23 October 2024.

An overview of the Internal Audit Plan can be found in Section 3.

2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of the Arrangements for LADO from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Your One Page Summary

Audit Objective: to assess the key systems and controls in relation to the arrangements for the Local Authority Designated Officer (LADO).

Audit rationale					
Why the Audit is in Your 2024/25 Plan		Your Strategic Risk			
To provide assurance that appropriate controls are in place for the LADO service.		Children at risk are not managed appropriately.			
Summary of our opinion					
<div>Substantial</div> <div>X</div>		Summary of Finding			
		High (Priority 1)	-	Actions agreed	100%
		Medium (Priority 2)	-	Priority 1 completion	N/A
		Low (Priority 3)	2	Overall completion	October 2024
Summary of findings					
Examples of good practice		Low Priority Findings		Key root causes	
✓ Referrals are allocated to LADO officers in a timely manner i.e., within 24 hours		• Time taken to allocate cases to the LADO are not reported on		• Reporting on time taken to allocate cases to the LADO has not been considered	
✓ Documents related to our sample of ten LADO allegations are retained on a shared drive which is access restricted		• LADO procedures are not up-to date		• Lack of capacity	

2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of Planning from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Your One Page Summary

Audit Objective: to assess the design and effectiveness of key systems and controls in relation to the management of planning applications.

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2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of the Governance over Delivery of Savings from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Your One Page Summary

Audit Objective: to assess the design and effectiveness of key systems and controls in relation to the Governance over Delivery of Savings.

We note that we have not provided assurance on whether the Council will or will not achieve its' MTFS goals but rather the control framework in place to meet those goals.

Audit rationale			
Why the Audit is in Your 2024/25 Plan		Your Strategic Risk	
It is a significant part of the Council's financial processes		Failure to delivery savings	
Summary of our opinion			
<div>Limited</div> <div><div></div><div></div><div>X</div><div></div></div>		Summary of Findings	
		High (Priority 1)	0
		Medium (Priority 2)	3
		Low (Priority 3)	1
		Actions agreed	100%
		Priority 1 completion	NA
		Overall completion	31 October 2024
Summary of findings			
Examples of good practice		Medium Priority Findings	
<ul style="list-style-type: none">A Medium Term Financial Strategy (MTFS) Tracker for 2024/2025 – 2028/2029 is maintained and it details the individual savings proposals that contribute to the overall savings target for each of these yearsSavings Proformas are utilised with each savings plan and they include a summary of the key risks and mitigations related to delivering the savings plan		<ul style="list-style-type: none">A RAG status is not assigned to all savings proposals on the MTFS Tracker and actions to address are missing for Red and Amber RAG statusesSavings Proformas (business cases) are not reviewed or updated periodically	
		Key root causes	
		<ul style="list-style-type: none">Focus on delivering the savings plans instead of complying with the governance process which sits behind the deliveryThere is no requirement for reviewing and updating Savings Proformas periodicallyNo documented process for how benchmarking should be documented	

2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of the Management of Staff Performance from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Your One Page Summary

Audit Objective: To ascertain if there are effective controls in place around the management of staff performance.

Audit rationale			
Why the Audit is in Your 2024/25 Plan	Your Strategic Risk	Your Strategic / Tactical Objective	
To ensure staff performance is managed consistently across all services.	Staff performance is not monitored or recorded, causing poor performance to not be addressed and good performance not rewarded.	Recruit and maintain a high-quality workforce.	
Summary of our opinion			
<div>Limited</div> <div><div></div><div></div><div>X</div><div></div></div>		Summary of Findings	
		High (Priority 1)	3
		Medium (Priority 2)	1
		Low (Priority 3)	1
		Findings agreed	100%
		Priority 1 completion	July 2025 and 2027/28
		Overall completion	2027/28
Summary of findings			
Examples of good practice	Highest Priority Findings	Key root causes	
<div><div>✓</div> There is guidance on the intranet on how to conduct MyConversations (the Council's approach to performance conversations).</div> <div><div>✓</div> Guidance for the capability process used to manage poor staff performance is in place.</div>	<div><div>•</div> Absence of a standardised or approved performance management framework.</div> <div><div>•</div> No monitoring and reporting on the completion of MyConversations.</div>	<div><div>•</div> Previous Council culture to keep the MyConversations process informal.</div> <div><div>•</div> System functionality does not permit automated controls to monitor completion of the MyConversations and a manual oversight process has been deemed a strain on resources.</div> <div><div>•</div> Non-compliance with the Capability at Work Policy and there are no checks on reporting data.</div>	

2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of the New Operating Model – the Procurement Act from the 2024/25 Plan.

A summary of our most significant findings and the root cause(s) of issues is included below.

Your One Page Summary

Audit Objective: to assess whether LBH has in place adequate and appropriate policies, procedures and controls to manage the New Operating Model – New Procurement Act 2023.

Audit rationale			
Why the Audit is in Your 2024/25 Plan		Your Strategic Risk	
The new Procurement Act (the Act) is due to go live from February 2025.		Failure to comply with the New Procurement Act. N/A	
Summary of our opinion			
<div>Limited</div>		Summary of Finding	
<div><div></div><div></div><div>X</div><div></div></div>		High (Priority 1)	-
		Medium (Priority 2)	3
		Low (Priority 3)	-
		Findings agreed	100%
		Priority 1 completion	N/A
		Overall completion	April 2025
Summary of findings			
Examples of good practice		Medium Priority Findings	
<ul style="list-style-type: none">✓ The Council have used a combination of the Procurements Pipeline and Contract Register to ensure that a review of all current and planned commercial pipelines are undertaken ahead of the Act coming into force✓ The Contract Standing Orders (CSO's) define that the ownership for publishing pipeline notices for contracts over £2 million is allocated to the Chief Procurement Officer✓ The CSO's define the role of the Strategic Procurement team in initiating and reviewing the commercial pipeline		<ul style="list-style-type: none">• The Council have not established a formal training programme which identifies <u>staff</u> and the level of training required for the Procurement Act 2023• No documented framework for understanding which procurement regime will best suit the requirements of the relevant services	
		Key root causes	
		<ul style="list-style-type: none">• The deployment of end-user training has been postponed until the foundational elements of CSO's are finalised• There are different procurement routes/regimes that have not yet been tailored to the categories of goods and services	

3. Overview of Internal Audit Plan 2023/24

The table below lists the status of all reviews within the 2023/24 Plan.

Review	Original Days	Revised Days	Audit Sponsor	Status	Start Date	Assurance Level	Total	High	Medium	Low
Residential Placements (2022/23)	10	15	Director of Children's Service	Final Report	May-23	Nil	10	2	6	2
Commercial Property	10	15	Director of Placemaking & Housing	Final Report	Jun-23	Limited	16	6	6	4
Children In Care	10	10	Director of Children's Service	Final Report	Jan-24	Limited	5	1	3	1
Policies around Damp and Mould	10	10	Director of Placemaking & Housing	Final Report	Jan-24	Limited	11	3	6	2
Regeneration of Canning Crescent / Osbourne Grove	10	10	Director of Placemaking & Housing	Final Report	Mar-24	Adequate	3	0	2	1
HCBS audit	20	16	Director of Placemaking & Housing	Final Report	Mar-24	Limited	3	0	2	1
HFH audit	20	16	Director of Placemaking & Housing	Final Report	Mar-24	Limited	8	0	5	3
Management of Council Purchase Cards (including how we want to use them)	12	12	Director of Finance	Final Report	Apr-24	Limited	3	1	2	0
Tenancy Management	10	10	Director of Placemaking & Housing	Final Report	Apr-24	Limited	12	0	5	7
Homeownership Service	7	10	Director of Placemaking & Housing	Final Report	Mar-24	Limited	3	1	0	2
Follow up Actions from Property Improvement Plan	8	8	Director of Placemaking & Housing	Final Report	Apr-24	N/A	-	-	-	-
Coroner's Service	10	10	Monitoring Officer	Draft Report	Jul-23					
Totals	137	142				Totals	74	14	37	23

3. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan that have a status of draft terms of reference (ToR) issued or beyond.

Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low
Management of FOIs	Director of Culture, Strategy & Engagement	Final Report	June 2024	August 2024	September 2024	Adequate	5	0	2	3
Financial Assessment of Clients	Director of Adults, Health & Communities	Draft Report	June 2024							
Implementation of Panacea	Director of Finance	Review (Paused)	June 2024							
Arrangements for LADO	Director of Children's Services	Final Report	June 2024	October 2024	December 2024	Substantial	2	0	0	2
Governance over Delivery of Savings	Director of Finance	Final Report	July 2024	September 2024	December 2024	Limited	4	0	3	1
Support for Children provider payments process	Director of Children's Services	Fieldwork (extra work)	July 2024							
Leisure Services Insourcing (pre-implementation)	Director of Environment & Resident Experience	Draft Report	July 2024							
Management of Staff Performance	Chief People Officer	Final Report	July 2024	September 2024	December 2024	Limited	5	3	1	1
Birchtree Landlords Fact Finding	Director of Environment and Resident Experience	Final Report	August 2024	September 2024	December 2024	N/A	-	-	-	-
Birchtree	Director of Culture, Strategy & Engagement	Fieldwork	August 2024							
Lettings Fact Finding	Director of Placemaking & Housing	Fieldwork	August 2024							
New Operating Model - the Procurement Act	Director of Finance	Final Report	August 2024	October 2024	December 2024	Limited	3	0	3	0
Scheme of Delegation	Director of Finance	Draft Report	August 2024							
Management, Monitoring and Collection of Income in Council	Director of Finance	Draft Report	August 2024							

3. Overview of Internal Audit Plan 2024/25

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Planning	Director of Placemaking & Housing	Final Report	September 2024	October 2024	December 2024	Adequate	4	0	1	3
Corporate Performance and Intelligence Service	Director of Culture, Strategy & Engagement	Fieldwork	September 2024							
Management over Hospitality and Gifts	Director of Finance	Draft Report	September 2024							
Treasury Management	Director of Finance	Fieldwork	October 2024							
Management of Council Tax Reduction Scheme	Director of Environment & Resident Experience	Fieldwork	October 2024							
Review and Management of Off Contract spend	Director of Finance	Fieldwork	October 2024							
Future Design of Waste Services	Director of Environment & Resident Experience	Draft ToR	November 2024							
Deprivation of Liberty	Director of Adult Social Services	Draft ToR	November 2024							
Management of Green Haringey	Director of Environment & Resident Experience	Draft ToR	November 2024							
Cyber Governance and Risk Management		Draft ToR	November 2024							
IT Change and Problem Management		Draft ToR	December 2024							
Accounts Receivable (Sundry Debtors)	Director of Finance	Draft ToR	January 2025							
Recycling	Director of Environment & Resident Experience	Final ToR	February 2025							

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Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low
Regulatory and Enforcement Services	Director of Environment & Resident Experience	Draft ToR	March 2025							
Management of Community Assets	Director of Placemaking & Housing	Draft ToR	March 2024							
Contract Management	Director of Finance	Draft ToR	March 2024							
Noel Park Pods	Director of Placemaking & Housing	Draft ToR	TBC							
Capitalisation	Director of Finance	Draft ToR	TBC							
Admissions Process	Director of Children's Services	Cancelled								
Children's Services Debt Recovery	Director of Children's Services	Cancelled								
Youth Offending	Assistant Director for Safeguarding and Social Care	Cancelled								
Source to Pay Implementation Review		Cancelled								
Business Case Review – SAP		Cancelled								
Partening Contract	Director of Placemaking & Housing	Cancelled								
Management of Garages	Director of Placemaking & Housing	Cancelled								
Implementation of the Corporate Property Model (Incl recommendations from Independent review)	Director of Placemaking & Housing	Cancelled								

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Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low
Follow up of Delivery of the Housing Improvement Plan	Director of Placemaking & Housing	Cancelled								
						Totals	23	3	10	10

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Statement of Responsibility

We take responsibility to London Borough of Haringey for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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